



# FRED L. WIGGIN, INC.

Route 1 By-Pass      Phones 436-4123 & 436-0558  
PORTSMOUTH, NH 03801



SDMS DocID      559605

Superfund Records Center  
SITE: Coakley  
BREAK: 11.9  
OTHER: 559605

December 31, 1990

U.S. Environmental Protection Agency  
Steven J. Calder, Remedial Project Manager  
P.O. Box 5988  
J.F. Kennedy Station  
Boston, MA 02214

Re: Request Letter  
Coakley Landfill

Gentlemen:

Enclosed herewith are our answers to your twelve questions  
contained in your letter of December 14, 1990.

Very truly yours,

*Sally W. Lewis, Treas.*

/ct



# FRED L. WIGGIN, INC.

## Route 1 By-Pass

Phones 436-4123 & 436-0558

PORTSMOUTH, NH 03801

## ANSWERS

1. Sally Lewis )  
Francis Wiggin ) Employees  
Jeremy R. Waldron ) Attorney for corporation
2. a) Sole location - Rte 1 Interstate Highway, Portsmouth,  
New Hampshire.  
b) 1972 to present.  
c) Principal - sale, repair and installation of tires on  
motor vehicles.  
Minor - sale of appliances.  
d) See (c) above.  
e) See explanations below.
3. The corporation's services to the public are limited to  
those mentioned in c) above. There was and is no motor vehicle  
service (except tires), maintenance, or painting. The appliance  
sales of large ticket items only, were limited to original sales  
and did not include maintenance, repair or painting.
4. See attached financial statements. Your letter received on  
December 19th, requires an answer by the end of the year. Our  
federal and state income taxes for the period 1986 to 1989 are  
not immediately available, so cannot be forwarded with this  
submission. If it is felt after reading the financial statements  
that they are not sufficient, we will forward our federal and  
state income taxes upon your request.
5. Our appliance sales consisted only of the sale of  
refrigerators, electric stoves, washers and dryers. We offered  
no repairs or other services after the sale of the above. This  
business represented about 10% of our gross sales in the early  
1970's, but because of the lack of follow up services, decreased  
on a downward curve until (as the 1986 financial statement  
submitted shows) these sales represented less than one percent of  
our gross sales. In other words, we estimate the 1981 appliance  
sales represented approximately five percent of our gross sales,  
etc.
6. See 5 above.
7. No.



## FRED L. WIGGIN, INC.

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8 - 10. We believe that in the early 1970's, we averaged the sale of 25 plus or minus refrigerators each year. Fifteen plus or minus of these were sales without trade-ins. The remaining 10 plus or minus sales did consist of trade-in sales. The majority of these we either sold to customers who wished them for summer camps or to used furniture dealers. A minority of the 10 trade-ins were not working either because of seized compressors or because the Freon was greatly reduced or evaporated. These we took the doors off and disposed of at Coakley. It is our estimate that we might have disposed of 2-3 refrigerators in the early 70's, 1-2 in the late 70's/early 80's and perhaps 1 or less in the mid 80's.

As for the electric stoves, washers and dryers, a great percentage of these were made without trade-ins. What few we took in trade-ins again were sold to customers who needed them for summer camps or to used furniture dealers. Remotely, one or more of these might have gone to Coakley, but there was no course of conduct such as set forth above concerning refrigerators.

11. See 8 - 10 above.

12. Wiggin did not have any relationships, contractual or otherwise, with any of those listed below, except through the sale of tires, alignment, repairs, etc. (see asterisks below for yes answers).

- \*Ben's Auto Body, Inc.
- \*Bournival, Inc.
- \*Brady Ford Sales, Inc.
- \*Bruno & Stillman, Inc.
- \*Coakley Construction Co. Inc.
- \*Coakley Landfill, Inc.
- \*Coakley, Ronald
- \*Coakley, Estate of Erna
- \*Coakley, Neil H.
- \*Diaphragm Industries, Inc.
- \*Edwards Toyota
- \*F.A. Gray, Inc.
- \*Gary Blake Auto
- \*Goss Lincoln-Mercury
- \*H.E. Bouffard Co.
- \*L.W. Morgridge & Son, Inc.
- \*New England Telephone
- \*Newington, Town of
- \*North Hampton, Town of
- \*Northern Utilities
- \*Parts Plus Automotive Service Center,  
Division of Seacoast Auto Parts



## **FRED L. WIGGIN, INC.**

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PORTSMOUTH, NH 03801

- \* Pease Air Force Base - Department of  
Air Force
- \* Port City Nissan
- \* Portsmouth, City of
- \* Portsmouth Naval Shipyard, Department  
of Navy
- \* Public Service Company of New Hampshire
- \* Ralph's Truck Sales
- \* Seacoast Volkswagen-Mazda, Inc.
- \* Simplex Wire and Cable Co. (Tyco  
Laboratories, Inc.)
- \* Taccetta Chevrolet, Inc.

to any such relationship.

- Alrose Shoes
- \* Ben's Auto Body, Inc.
- Booth Fisheries Corp. (National Sea Products, Inc.)
- Deborah Borza
- \* Bournival, Inc.
- \* Brady Ford Sales, Inc.
- Browning-Ferris Industries
- Browning-Ferris Industries of New Hampshire (formerly Great Bay Disposal)
- \* Bruno & Stillman, Inc.
- C. T. Disposal
- Case, Patricia C.
- Chadwick & Trefethan, Inc.
- \* Coakley Construction Co., Inc.
- \* Coakley Landfill, Inc.
- \* Coakley, Ronald
- \* Coakley, Estate of Erna
- \* Coakley, Neil H.
- Coastal Environmental Systems, Inc.
- Custom Pools, Inc.
- Data General Corporation
- Davidson Interior Trim Textron (formerly Davidson Rubber Co., Inc.)
- \* Diaphragm Industries, Inc.
- \* Edwards Toyota
- Erie Scientific Company (Sybron Corporation)
- \* F.A. Gray, Inc.
- Fuel Storage Corporation
- GTE Products Corporation
- \* Gary Blake Auto
- \* Goss Lincoln-Mercury
- Great Bay Marine, Inc.
- Gypsum Haulage, Inc.
- \* H. E. Bouffard Co.
- Henrikson Transport, Inc. (formerly Coakley Transport, Inc.)
- John Iafolla Company, Inc.
- Keefe Environmental Services
- Keefe Trucking Company
- Imperial Cleaners of Portsmouth, NH
- K. J. Quinn
- Jet-Line Service, Inc.
- K-Mart Corporation
- MAACO Auto Painting Body, Pike Associates, Inc. d/b/a/
- Midas Muffler and Brake Shops
- Mobil Oil - Portsmouth Terminal, Newington, NH
- Montgomery Ward
- \* L.W. Morgridge & Son, Inc.
- \* New England Telephone
- National Gypsum, Gold Bond Building Products Division
- \* Newington, Town of
- Vitas or Liudas Normantas
- \* North Hampton, Town of

- \* Northern Utilities  
Palmer-Chenard Industries, Inc.
- \* Parts Plus Automotive Service Center, Division of Seacoast  
Auto Parts
- \* Pease Air Force Base--Department of the Air Force
- \* Philbrick's Sales and Services
- \* Philbrick's Sports World
- \* Richard M. Philbrick Trucking
- \* Port City Nissan
- \* Portsmouth, City of
- \* Portsmouth Naval Shipyard, Department of the Navy
- \* Post Machinery Company, Inc.
- \* Pratt & Whitney
- \* Public Service Company of New Hampshire
- \* Ralph's Truck Sales
- \* S & H Precision Manufacturing Co.
- \* Sanel Auto Parts
- \* Seacoast Trucking & Moving Co.
- \* Seacoast Volkswagen-Mazda, Inc.
- \* Sears, Roebuck and Co.
- \* Simplex Wire and Cable Co. (Tyco Laboratories Inc.)
- \* Skyline Roofing, Inc. (formerly Skyline Roofing and Sheet  
Metal)
- \* Stratham Tire, Inc.
- \* Waste Management, Inc. (including, without limitation, Waste  
Management of North America; Waste Management of Maine,  
Inc.; Waste Management of New Hampshire, Inc.; Sanitas  
Waste Control Corp.; SCA Services; SCA Services of New  
Hampshire)
- \* Taccetta Chevrolet, Inc.
- \* Wayne's Auto Body, Inc.
- \* Winebaum News, Inc. (a/k/a Northern News, Inc.)
- \* Wood Brothers Moving & Storage
- \* Yuddy's
- \* Yudy's of Portsmouth, Inc. (formerly Yudy's Tire)

FRED L. WIGGIN, INC.

YEARS ENDED DECEMBER 31, 1989 and 1988

***Financial Statements***

FRED L. WIGGIN, INC.

FINANCIAL STATEMENTS

Years Ended December 31, 1989 and 1988



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Hodgdon, Wilson & Tober  
Certified Public Accountants, P.A.

To the Board of Directors  
Fred L. Wiggin, Inc.  
Portsmouth, New Hampshire

We have compiled the accompanying balance sheets - tax basis of Fred L. Wiggin, Inc. as of December 31, 1989 and 1988, and the related statements of income and retained earnings - tax basis and cash flows - tax basis for the years then ended, and the accompanying schedules, which are presented only for purposes of supplementary analysis, in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and supplementary schedules, information that is the representation of management. We have not audited or reviewed the accompanying financial statements and supplementary schedules, and, accordingly, do not express an opinion or any other form of assurance on them.

  
Hodgdon, Wilson & Tober

February 1, 1990

FRED L. WIGGIN, INC.  
BALANCE SHEETS - TAX BASIS  
December 31,

	<u>1989</u>	<u>1988</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 86,394	\$ 128,128
Accounts receivable	81,036	78,076
Inventory	154,950	137,471
Prepaid taxes	<u>1,870</u>	<u>1,877</u>
Total current assets	324,250	345,552
PROPERTY AND EQUIPMENT		
Automobiles and trucks	60,229	69,264
Shop and office equipment	61,636	60,736
Buildings and improvements	75,269	61,657
Land	<u>49,574</u>	<u>49,574</u>
Total property and equipment	246,708	241,231
Less: Accumulated depreciation	<u>153,359</u>	<u>147,184</u>
Net property and equipment	93,349	94,047
OTHER ASSET		
Organization expense	<u>200</u>	<u>200</u>
TOTAL ASSETS	\$ <u>417,799</u>	\$ <u>439,799</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
CURRENT LIABILITIES		
Accounts payable - Goodyear	\$ 98,370	\$ 91,202
Accounts payable - other	34,755	13,409
Accrued payroll taxes	1,475	4,180
Due to officers	<u>30,736</u>	<u>13,763</u>
Total current liabilities	165,336	122,554
STOCKHOLDERS' EQUITY		
Common stock, par value \$100, 800 shares authorized, issued & outstanding	80,000	80,000
Paid in capital	19,644	19,644
Retained earnings	<u>152,819</u>	<u>217,601</u>
Total stockholders' equity	252,463	317,245
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ <u>417,799</u>	\$ <u>439,799</u>

See accompanying notes and accountant's report.

FRED L. WIGGIN, INC.  
STATEMENTS OF INCOME AND RETAINED EARNINGS - TAX BASIS  
Years Ended December 31,

	<u>1989</u>	<u>1988</u>
SALES	\$ 1,237,833	\$ 1,284,009
COST OF GOODS SOLD	<u>995,980</u>	<u>957,226</u>
GROSS PROFIT	241,853	326,783
OPERATING EXPENSES		
Sales	82,912	87,277
Administrative	<u>228,904</u>	<u>240,153</u>
Total operating expenses	<u>311,816</u>	<u>327,430</u>
OPERATING LOSS	( 69,963)	( 647)
OTHER INCOME		
Interest income	1,745	3,189
Miscellaneous other income	<u>3,436</u>	<u>1,885</u>
Total other income	<u>5,181</u>	<u>5,074</u>
INCOME (LOSS) BEFORE PROVISION FOR INCOME TAXES	( 64,782)	4,427
Provision for income taxes	<u>-</u>	<u>946</u>
NET INCOME (LOSS)	( 64,782)	3,481
BEGINNING RETAINED EARNINGS	217,601	211,297
Prior period adjustment - tax expense	<u>-</u>	<u>2,823</u>
ENDING RETAINED EARNINGS	\$ <u>152,819</u>	\$ <u>217,601</u>

See accompanying notes and accountant's report.

FRED L. WIGGIN, INC.  
STATEMENTS OF CASH FLOWS - TAX BASIS  
Years Ended December 31,

	<u>1989</u>	<u>1988</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 1,238,309	\$ 1,315,952
Cash received from interest	1,745	3,186
Cash paid to suppliers	( 984,946)	( 809,040)
Cash paid for selling and administrative	( 299,303)	( 535,522)
Cash paid for interest	<u>-</u>	<u>( 292)</u>
Net cash used by operating activities	( 44,195)	( 25,716)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash paid for purchase of equipment	( 14,512)	( 5,000)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash received from owner contributions	16,973	14,863
Cash paid for debt reduction	<u>-</u>	<u>( 8,561)</u>
Net cash provided by financing activities	<u>16,973</u>	<u>6,302</u>
 Net decrease in cash	 ( 41,734)	 ( 24,414)
Cash at beginning of year	<u>128,128</u>	<u>152,542</u>
 CASH AT END OF YEAR	 <u>\$ 86,394</u>	 <u>\$ 128,128</u>
 <b>RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Net income (loss)	\$( 64,782)	\$ 3,481
 Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	15,211	24,922
(Increase) decrease in:		
Accounts receivable	( 2,960)	( 3,754)
Inventory	( 17,479)	( 8,310)
Prepaid taxes	7	( 1,877)
Increase (decrease) in:		
Accounts payable	28,513	( 45,760)
Accrued payroll tax	( 2,705)	2,759
Retained earnings	<u>-</u>	<u>2,823</u>
 Total adjustments	 <u>20,587</u>	 <u>( 29,197)</u>
 NET CASH USED BY OPERATING ACTIVITIES	 <u>\$( 44,195)</u>	 <u>\$( 25,716)</u>

See accompanying notes and accountant's report.

FRED L. WIGGIN, INC.  
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Fred L. Wiggin, Inc. was incorporated on January 1, 1958. The corporation sells tires on both the wholesale and retail levels, as well as performing alignment and repair work.

Method of Accounting

The corporation recognizes income and expense on the accrual basis of accounting. It is the policy of the company to prepare financial statements on the tax basis. Tax basis means that revenues and related assets and expenses and related liabilities are recognized when they are reported or deducted for Federal income tax purposes.

The corporation has elected to be treated as a subchapter S corporation for Federal income tax purposes.

Inventory

Inventory is valued at cost on a first-in, first-out basis.

Depreciation

Property and equipment have been recorded at cost and depreciated over the estimated useful lives of the assets. Assets acquired after December 31, 1980 and before January 1, 1987 are being depreciated as specified in the Accelerated Cost Recovery System as outlined in the Economic Recovery Tax Act of 1981. Costs of assets acquired after December 31, 1986 are recovered as specified in the Modified Accelerated Cost Recovery System as outlined in the Tax Reform Act of 1986. Depreciation expense for years ended December 31, 1989 and 1988 was \$15,211 and \$24,922 respectively.

Interest

There was no interest expense in 1989. In 1988 interest expense was \$292.

FRED L. WIGGIN, INC.  
SCHEDULES OF GROSS PROFIT  
For Years Ended December 31,

1989

	<u>Total</u>	<u>Tires</u>	<u>Repairs</u>	<u>Alignment</u>
Sales	\$1,237,833	\$1,110,406	\$ 61,069	\$ 66,358
Cost of Sales				
Tires	815,944	815,944		
Freight	393	393		
Parts	36,769		36,769	
Wages	114,469	51,999	38,885	23,585
Supplies	10,811	10,811		
Uniforms	6,421	2,889	2,181	1,351
Truck	<u>11,173</u>	<u>11,173</u>		
TOTAL	<u>995,980</u>	<u>893,209</u>	<u>77,835</u>	<u>24,936</u>
Gross profit	\$ <u>241,853</u>	\$ <u>217,197</u>	\$ <u>(16,766)</u>	\$ <u>41,422</u>
Percent of sales	19.54	19.56	( 27.45)	62.42
Tire mark-up percent		36.06		

1988

	<u>Total</u>	<u>Tires</u>	<u>Repairs</u>	<u>Alignment</u>
Sales	\$1,284,009	\$1,189,120	\$ 34,397	\$ 60,492
Cost of Sales				
Tires	787,295	787,295		
Freight	696	696		
Parts	21,745		21,745	
Wages	115,467	68,058	19,251	28,158
Supplies	6,036	6,036		
Uniforms	4,748	2,799	792	1,157
Truck	<u>21,239</u>	<u>21,239</u>		
TOTAL	<u>957,226</u>	<u>886,123</u>	<u>41,788</u>	<u>29,315</u>
Gross profit	\$ <u>326,783</u>	\$ <u>302,997</u>	\$ <u>( 7,391)</u>	\$ <u>31,177</u>
Percent of sales	25.45	25.48	( 21.49)	51.53
Tire mark-up percent		51.04		

See accountant's report.

FRED L. WIGGIN, INC.  
SCHEDULES OF SELLING EXPENSES  
Years Ended December 31,

	<u>1989</u>	<u>1988</u>
Rebates and allowances	\$ 414	\$ 977
Payroll - supervisory	70,975	70,017
Advertising	10,336	14,659
Travel expense	<u>1,187</u>	<u>1,624</u>
 TOTAL SELLING EXPENSES	 \$ <u>82,912</u>	 \$ <u>87,277</u>

SCHEDULES OF ADMINISTRATIVE EXPENSES  
Years Ended December 31,

	<u>1989</u>	<u>1988</u>
Payroll - officers	\$ 46,800	\$ 70,700
Payroll - office	19,822	22,277
Utilities	15,750	13,893
Telephone	8,730	9,200
Repairs and maintenance	11,071	7,107
Insurance	55,620	44,498
Interest	-	292
Payroll taxes	20,886	17,422
Property taxes	6,587	5,975
Franchise fee	621	335
Accounting and legal	6,613	4,279
Office expense	9,356	6,190
Postage	1,101	982
Depreciation - automobile and truck	6,519	15,865
Depreciation - shop and office equipment	5,187	5,367
Depreciation - building & improvements	3,505	3,691
Discounts given	3,568	4,515
Cash variation	( 168)	1,685
Other expenses	2,375	1,912
Service charge - credit cards	4,005	3,968
Bad debts	<u>956</u>	<u>-</u>
 TOTAL ADMINISTRATIVE EXPENSE	 \$ <u>228,904</u>	 \$ <u>240,153</u>

See accountant's report



FRED L. WIGGIN, INC.  
Interstate By-Pass  
Portsmouth, New Hampshire 03801

FINANCIAL STATEMENTS  
December 31, 1987

HODGDON, WILSON AND TOBER  
Certified Public Accountants, P.A.  
600 State Street, P.O. Box 1251  
Portsmouth, N.H. 03801

FRED L. WIGGIN, INC.  
Interstate By-Pass  
Portsmouth, New Hampshire 03801

FINANCIAL STATEMENTS  
December 31, 1987

Fred L. Wiggin, Inc.  
Interstate By-Pass  
Portsmouth, New Hampshire 03801

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ACCOUNTANT'S REPORT

Exhibit A    COMPARATIVE BALANCE SHEET  
              as of December 31, 1987 and 1986

Schedule A-1    RETAINED EARNINGS

Exhibit B    COMPARATIVE INCOME STATEMENT  
              Year Ended December 31, 1987 and 1986

Schedule B-1    COMPARATIVE OVERHEAD EXPENSES

Exhibit C    WORKING CAPITAL ANALYSIS

Exhibit D    STATEMENT OF CHANGES IN FINANCIAL POSITION  
              During Year Ended December 31, 1987

Exhibit E    COMPARATIVE INCOME STATEMENT WITH RATIOS  
              Years Ended December 31, 1987 and 1986

NOTES TO FINANCIAL STATEMENTS

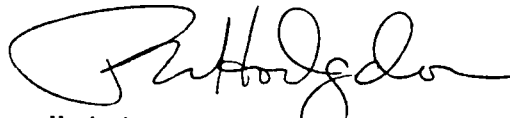
Hodgdon, Wilson and Tober  
Certified Public Accountants, P.A.  
600 State Street  
Portsmouth, New Hampshire 03801

January 27, 1988

Fred L. Wiggin, Inc.  
Interstate By-Pass  
Portsmouth, New Hampshire 03801

We have compiled the accompanying balance sheet of Fred L. Wiggin, Inc. as of December 31, 1987, and the related statements of income, retained earnings, and changes in financial position for the year then ended, in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements, information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.



Hodgdon, Wilson and Tober  
Certified Public Accountants, P.A.

PWH:ms

Fred L. Wiggin, Inc.  
Interstate By-Pass  
Portsmouth, New Hampshire 03801

Exhibit A

BALANCE SHEET

December 31,

	<u>1987</u>	<u>1986</u>
	<u>ASSETS</u>	
<b>CURRENT ASSETS:</b>		
Cash on Hand	\$ 14,329.08	\$ 14,165.60
Cash in Bank - Checking Account	52,232.71	42,553.11
Cash in Bank - Savings Account	85,979.81	100,537.76
Accounts Receivable	74,321.42	63,632.61
Inventory - Tires	129,160.99	115,554.73
Inventory - Appliances, C & H	-0-	2,950.00
Total Current Assets	\$356,024.01	\$339,393.81
<b>FIXED ASSETS:</b>		
Motor Vehicles	\$ 64,264.30	\$ 40,313.30
Shop & Office Equipment	60,736.14	46,336.14
Building	61,657.10	61,657.10
Land	49,574.32	49,574.32
Total Fixed Assets - Cost	\$236,231.86	\$197,880.86
Less: Accum. Depreciation	(122,262.70)	( 97,500.47)
Total Fixed Assets-Book Value	\$113,969.16	\$100,380.39
<b>OTHER ASSETS:</b>		
Organization Expense	\$ 200.00	\$ 200.00
Due from Officers	1,100.00	1,100.00
Total Other Assets	1,300.00	1,300.00
<b>TOTAL ASSETS</b>	<u>\$471,293.17</u>	<u>\$441,074.20</u>
	<u>LIABILITIES</u>	
<b>CURRENT LIABILITIES:</b>		
Accounts Payable - Goodyear	\$130,379.88	\$ 99,807.39
Accounts Payable - Other	19,991.41	37,428.57
Accrued Payroll Taxes	1,420.76	564.78
Notes Payable	8,560.83	-0-
Total Current Liabilities	\$160,352.88	\$137,800.74
<b>TOTAL LIABILITIES</b>	\$160,352.88	\$137,800.74
	<u>STOCKHOLDERS' EQUITY</u>	
<b>STOCKHOLDERS' EQUITY:</b>		
Common Stock	\$ 80,000.00	\$ 80,000.00
Unearned Surplus - Paid In Capital	19,643.65	19,643.65
Retained Earnings (Sched. A-1)	211,296.64	203,629.81
Total Stockholders' Equity	\$310,940.29	\$303,273.46
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<u>\$471,293.17</u>	<u>\$441,074.20</u>

See Accountant's Compilation Report.

Fred L. Wiggin, Inc.  
Interstate By-Pass  
Portsmouth, New Hampshire 03801

Schedule A-1

STATEMENT OF RETAINED EARNINGS  
December 31, 1987

Balance Retained Earnings 12-31-81		\$ 78,605.78
1981 Federal Income Tax	(	698.53)
1982 Estimated Income Tax	(	640.00)
Net Profit Calendar Year 1982		<u>24,498.80</u>
Balance Retained Earnings 12-31-82		\$101,766.05
1982 Federal Income Tax	(	2,959.81)
1983 Estimated Income Tax	(	4,000.00)
Net Profit Calendar Year 1983		<u>99,542.27</u>
Balance Retained Earnings 12-31-83		\$194,348.51
1983 Balance Federal Income Tax	(	19,961.00)
1984 Estimated Income Tax	(	6,000.00)
Net Profit Calendar Year 1984		<u>19,577.73</u>
Balance Retained Earnings 12-31-84		\$187,965.24
Net Profit Calendar Year 1985		<u>20,954.67</u>
Balance Retained Earnings 12-31-85		\$208,919.91
Net Loss Calendar Year 1986	(Exhibit B)	( <u>5,290.10</u> )
Balance Retained Earnings 12-31-86		\$203,629.81
1986 Federal Income Tax Refund		1,619.74
Net Profit Calendar Year 1987	(Exhibit B)	<u>6,047.09</u>
BALANCE RETAINED EARNINGS 12-31-87		<u>\$211,296.64</u>

See Accountant's Compilation Report.

Fred L. Wiggin, Inc.  
Interstate By-Pass  
Portsmouth, New Hampshire

Exhibit B

COMPARATIVE INCOME STATEMENT  
Calendar Year 1987

Calendar Year 1986

SALES:

Tires	\$1,150,943.45	\$1,016,215.97
Car and Home Appliances	6,275.20	6,996.60
Repairs and Alignments	96,529.91	75,230.60
Total Sales	<u>\$1,253,748.56</u>	<u>\$1,098,443.17</u>

COST OF GOODS SOLD:

Tires	\$805,625.34	\$744,081.10
Car and Home Appliances	6,158.34	6,139.33
Customer Repair Parts	23,378.22	11,669.76
Freight	<u>326.33</u>	<u>131.77</u>
Total Cost of Goods Sold	<u>\$ 835,488.23</u>	<u>\$ 762,021.96</u>

GROSS PROFIT ON SALES

\$ 418,260.33      \$ 336,421.21

OPERATING EXPENSES:

Direct Expenses:

Payroll Recap Plant	\$100,870.53	\$ 95,379.15
Outside Work	3,340.00	1,551.10
Shop Supplies and Expense	7,209.93	7,354.05
Uniforms	<u>5,974.15</u>	<u>5,237.56</u>
Total Direct Expense	<u>\$ 117,394.61</u>	<u>\$ 109,521.86</u>

Selling Expenses:

Rebates and Allowances	\$ 671.98	\$ 4,859.99
Payroll - Supervisory	65,006.25	39,715.96
Truck Expense	12,163.77	12,468.43
Advertising	8,448.87	6,656.30
Travel Expense	<u>1,114.67</u>	<u>1,231.02</u>
Total Selling Expense	<u>\$ 87,405.54</u>	<u>\$ 64,931.70</u>

Administrative Expense:

Schedule A (Schedule B-1)	<u>216,299.40</u>	<u>175,480.05</u>
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TOTAL OPERATING EXPENSES

\$ 421,099.55      \$ 349,933.61

NET OPERATING PROFIT

\$ ( 2,839.22)      \$ ( 13,512.40)

OTHER INCOME:

Goodyear Bonus - G.E. Bonus	\$ 616.00	\$ 177.14
Interest Income	3,714.49	3,771.91
Bad Debt Recoveries	150.00	-0-
Miscellaneous Other Income	<u>4,405.82</u>	<u>4,273.25</u>
Total Other Income	<u>\$ 8,886.31</u>	<u>\$ 8,222.30</u>

NET PROFIT BEFORE TAXES

\$ 6,047.09      \$ ( 5,290.10)

See Accountant's Compilation Report.

Fred L. Wiggin, Inc.  
Interstate By-Pass  
Portsmouth, New Hampshire 03801

Schedule B-1

COMPARATIVE OVERHEAD EXPENSES

	<u>Calendar Year 1987</u>	<u>Calendar Year 1986</u>
Payroll - Office	\$ 16,589.60	\$ 15,902.60
Payroll - Officers	58,750.00	51,200.00
Lights	6,634.13	5,420.25
Power and Heat	7,993.50	3,908.84
Water	633.06	538.56
Telephone	7,529.76	7,000.20
Repairs and Maintenance	16,982.33	6,856.51
Interest	490.83	32.57
Insurance	30,085.14	24,614.28
Payroll Taxes	18,081.17	16,156.17
Property Taxes	5,560.50	5,464.46
N.H. Business Profits Tax	-0-	1,733.14
Accounting and Legal	1,473.00	2,400.00
Office Expense	5,436.33	5,917.16
Postage	1,008.37	839.19
Depreciation - Vehicles	9,161.42	11,485.70
Depreciation - Other Equipment	18,246.03	7,467.07
Depreciation - Building	3,654.78	3,265.56
Cable TV	748.88	352.37
Cash Variation	1,336.71	( 192.95)
Other Expenses	345.62	458.65
Service Charge - Credit Cards	4,375.24	3,418.73
Contributions	<u>1,183.00</u>	<u>1,240.99</u>
OVERHEAD EXPENSE	<u>\$216,299.40</u>	<u>\$175,480.05</u>

See Accountant's Compilation Report.



Fred L. Wiggin, Inc.  
Interstate By-Pass  
Portsmouth, New Hampshire 03801

Exhibit C

WORKING CAPITAL ANALYSIS

	<u>12-31-87</u>	<u>12-31-86</u>	Increase (Decrease)
CURRENT ASSETS:			
Cash	\$152,541.60	\$157,256.47	\$( 4,714.87)
Accounts Receivable - Net	74,321.42	63,632.61	10,688.81
Inventory	129,160.99	118,504.73	10,656.26
Total Current Assets	<u>\$356,024.01</u>	<u>\$339,393.81</u>	<u>\$ 16,630.20</u>
CURRENT LIABILITIES:			
Accounts Payable	\$150,371.29	\$137,235.96	\$ 13,135.33
Accrued Payroll Taxes	1,420.76	564.78	855.98
Notes Payable	8,560.83	-0-	8,560.83
Total Current Liabilities	<u>\$160,352.88</u>	<u>\$137,800.74</u>	<u>\$ 22,552.14</u>
WORKING CAPITAL	<u>\$195,671.13</u>	<u>\$201,593.07</u>	<u>\$( 5,921.94)</u>

Exhibit D

STATEMENT OF CHANGES IN FINANCIAL POSITION  
During Year Ended December 31, 1987

SOURCES OF FUNDS:		
Net Operating Profit 12-31-87	(Exhibit B)	\$ 6,053.09
Add Back: Expenses not requiring capital outlay:		
Depreciation		<u>31,062.23</u>
Total Funds Provided by Operations		\$ 37,115.32
OTHER SOURCES:		
Refund Federal Income Taxes		\$ 1,619.74
Total Sources		<u>\$ 38,735.06</u>
USES OF WORKING CAPITAL:		
Purchase of Equipment	\$ 44,657.00	
Total Uses		<u>\$ 44,657.04</u>
INCREASE (DECREASE) IN WORKING CAPITAL		<u>\$( 5,921.94)</u>

See Accountant's Compilation Report.

Fred L. Wiggin, Inc.  
Interstate By-Pass  
Portsmouth, New Hampshire 03801

Exhibit E

COMPARATIVE INCOME STATEMENT WITH RATIOS

	Years Ended December 31,			
	1987	%	1986	%
<b>SALES</b>				
Tires	\$1,150,943.45		\$1,016,215.97	
Car and Home Appliances	6,275.20		6,996.60	
Alignments & Repairs	96,529.91		75,230.60	
Total Sales	\$1,253,748.56	100.00%	\$1,098,443.17	100.00%
<b>COST OF GOODS SOLD:</b>				
Tires	\$ 805,625.34		\$ 744,081.10	
Car and Home Appliances	6,158.34		6,139.33	
Customer Repairs Parts	23,378.22		11,669.76	
Freight	326.33		131.77	
Total Cost of Goods Sold	\$ 835,488.23	66.64%	\$ 762,021.96	69.37%
<b>GROSS PROFIT ON SALES</b>	\$ 418,260.33	33.36%	\$ 336,421.21	30.63%
<b>OPERATING EXPENSES:</b>				
Direct Expenses:				
Payroll - Recap Plant	\$ 100,870.53		\$ 95,379.15	
Outside Work	3,340.00		1,551.10	
Shop Supplies and Expense	7,209.93		7,354.05	
Uniforms	5,974.15		5,237.56	
Total Direct Expense	\$ 117,394.61	9.36%	\$ 109,521.86	9.97%
Selling Expenses:				
Rebates and Allowances	\$ 671.98		\$ 4,859.99	
Payroll - Supervisory	65,006.25		39,715.96	
Truck Expense	12,163.77		12,468.43	
Advertising	8,448.87		6,656.30	
Travel Expense	1,114.67		1,231.02	
Total Selling Expense	\$ 87,405.54	6.97%	\$ 64,931.70	5.91%
Administrative Expenses:				
	\$ 216,299.40	17.25%	\$ 175,480.05	15.98%
<b>TOTAL OPERATING EXPENSES</b>	\$ 421,099.55	33.58%	\$ 349,933.61	31.86%
<b>NET OPERATING PROFIT (LOSS)</b>	\$ ( 2,839.22 )	( 0.22% )	\$ ( 13,512.40 )	( 1.23% )
<b>OTHER INCOME &amp; EXPENSE:</b>				
Goodyear Bonus - G.E. Bonus	\$ 616.00		\$ 177.14	
Interest Income	3,714.49		3,771.91	
Bad Debt Recoveries	150.00		-0-	
Miscellaneous Other Income	4,405.82		4,273.25	
Total Other Income	\$ 8,886.31	7.10%	\$ 8,222.30	0.75%
<b>NET PROFIT (LOSS) BEFORE TAXES</b>	\$ 6,047.09	6.88%	\$ ( 5,290.10 )	( 0.48% )

See Accountant's Compilation Report.

Fred L. Wiggin, Inc.  
Interstate By-Pass  
Portsmouth, New Hampshire 03801

NOTES TO FINANCIAL STATEMENTS

NOTE 1 ORGANIZATION

Fred L. Wiggin, Inc. was organized on January 1, 1958. The corporation sells tires on both the wholesale and retail levels, as well as, performing alignment and repair work.

NOTE 2 BASIS OF ACCOUNTING

The corporation recognizes income and expenses on the accrual basis of accounting, as such, the financial statements are also presented on the accrual basis.

NOTE 3 FIXED ASSETS

Property and equipment have been recorded at cost and depreciated over the estimated useful lives of the assets. Assets acquired after December 31, 1980 are being depreciated as specified in Accelerated Cost Recovery System as outlined in Economic Recovery Tax Act of 1981. Assets acquired after December 31, 1986 are being depreciated as specified under the Modified Accelerated Cost Recovery System as specified under the Tax Reform Act of 1986.

NOTE 4 GENERAL

Fred L. Wiggin, Inc. gave up General Electric franchise as of December 31, 1987. Inventory of home appliances was nil at year-end. As of January 1, 1988, F.L. Wiggin, Inc. is effectively out of the appliance business.

FRED L. WIGGIN, INC.  
Interstate By-Pass  
Portsmouth, New Hampshire 03801

FINANCIAL STATEMENTS  
December 31, 1986

Fred L. Wiggin, Inc.  
Interstate By-Pass  
Portsmouth, New Hampshire 03801

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Schedule A-1    RETAINED EARNINGS

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Exhibit E    COMPARATIVE INCOME STATEMENT WITH RATIOS  
              Years Ended December 31, 1986 and 1985

NOTES TO FINANCIAL STATEMENTS

Hodgdon, Wilson and Tober  
Certified Public Accountants, P.A.  
600 State Street  
Portsmouth, New Hampshire 03801

March 3, 1987

Fred L. Wiggin, Inc.  
Interstate By-Pass  
Portsmouth, New Hampshire 03801

We have compiled the accompanying balance sheet of Fred L. Wiggin, Inc. as of December 31, 1986, and the related statements of income, retained earnings, and changes in financial position for the year then ended, in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements, information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Hodgdon, Wilson and Tober  
Certified Public Accountants, P.A.

PWH:ms

Fred L. Wiggin, Inc.  
Interstate By-Pass  
Portsmouth, New Hampshire 03801

Exhibit A

BALANCE SHEET

December 31,

	<u>1986</u>	<u>1985</u>
	<u>ASSETS</u>	
CURRENT ASSETS:		
Cash on Hand	\$ 14,165.60	\$ 18,642.34
Cash in Bank - Checking Account	42,553.11	70,499.59
Cash in Bank - Savings Account	100,537.76	46,767.88
Accounts Receivable	63,632.61	74,285.35
Less: Resve. for Doubtful Accts.	-0-	( 9,393.23)
Inventory - Tires	115,554.73	111,211.00
Inventory - Appliances, C & H	<u>2,950.00</u>	<u>3,250.00</u>
Total Current Assets	\$339,393.81	\$315,262.93
FIXED ASSETS:		
Motor Vehicles	\$ 40,313.30	\$ 40,313.30
Shop & Office Equipment	46,336.14	64,699.78
Building	61,657.10	60,640.16
Land	<u>49,574.32</u>	<u>49,574.32</u>
Total Fixed Assets - Cost	\$197,880.86	\$215,227.56
Less: Accum. Depreciation	( 97,500.47)	(106,883.69)
Total Fixed Assets-Book Value	100,380.39	108,343.87
OTHER ASSETS:		
Organization Expense	\$ 200.00	\$ 200.00
Due from Officers	<u>1,100.00</u>	<u>1,100.00</u>
Total Other Assets	1,300.00	1,300.00
TOTAL ASSETS	<u>\$441,074.20</u>	<u>\$424,906.80</u>
	<u>LIABILITIES</u>	
CURRENT LIABILITIES:		
Accounts Payable - Goodyear	\$ 99,807.39	\$ 90,451.41
Accounts Payable - Other	37,428.57	24,924.37
Accrued Payroll Taxes	564.78	967.46
Total Current Liabilities	<u>\$137,800.74</u>	<u>\$116,343.24</u>
TOTAL LIABILITIES	\$137,800.74	\$116,343.24
	<u>STOCKHOLDERS' EQUITY</u>	
STOCKHOLDERS' EQUITY:		
Common Stock	\$ 80,000.00	\$ 80,000.00
Unearned Surplus - Paid In Capital	19,643.65	19,643.65
Retained Earnings (Sched. A-1)	<u>203,629.81</u>	<u>208,919.91</u>
Total Stockholders' Equity	\$303,273.46	\$308,563.56
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$441,074.20</u>	<u>\$424,906.80</u>

See Accountant's Compilation Report.

Fred L. Wiggin, Inc.  
Interstate By-Pass  
Portsmouth, New Hampshire 03801

Schedule A-1

STATEMENT OF RETAINED EARNINGS  
December 31, 1986

Balance Retained Earnings 12-31-81		\$ 78,605.78
1981 Federal Income Tax		( 698.53)
1982 Estimated Income Tax		( 640.00)
Net Profit Calendar Year 1982		<u>24,498.80</u>
Balance Retained Earnings 12-31-82		\$101,766.05
1982 Federal Income Tax		( 2,959.81)
1983 Estimated Income Tax		( 4,000.00)
Net Profit Calendar Year 1983		<u>99,542.27</u>
Balance Retained Earnings 12-31-83		\$194,348.51
1983 Balance Federal Income Tax		( 19,961.00)
1984 Estimated Income Tax		( 6,000.00)
Net Profit Calendar Year 1984		<u>19,577.73</u>
Balance Retained Earnings 12-31-84		\$187,965.24
Net Profit Calendar Year 1985	(Exhibit B)	<u>20,954.67</u>
Balance Retained Earnings 12-31-85		\$208,919.91
Net Loss Calendar Year 1986		<u>( 5,290.10)</u>
BALANCE RETAINED EARNINGS 12-31-86		<u>\$203,629.81</u>

See Accountant's Compilation Report.



Fred L. Wiggin, Inc.  
Interstate By-Pass  
Portsmouth, New Hampshire

Exhibit B

COMPARATIVE INCOME STATEMENTS

	<u>Calendar Year 1986</u>	<u>Calendar Year 1985</u>
SALES:		
Tires	\$1,016,215.97	\$ 937,348.32
Car and Home Appliances	6,996.60	8,388.06
Repairs and Alignments	75,230.60	74,970.60
Total Sales	<u>\$1,098,443.17</u>	<u>\$1,020,706.98</u>
COST OF GOODS SOLD:		
Tires	\$744,081.10	\$653,526.08
Car and Home Appliances	6,139.33	8,204.11
Customer Repair Parts	11,669.76	14,860.53
Freight	131.77	-0-
Total Cost of Goods Sold	<u>\$ 762,021.96</u>	<u>\$ 676,590.72</u>
GROSS PROFIT ON SALES	\$ 336,421.21	\$ 344,116.26
OPERATING EXPENSES:		
Direct Expenses:		
Payroll Recap Plant	\$ 95,379.15	\$ 60,052.50
Outside Work	1,551.10	1,886.25
Shop Supplies and Expense	7,354.05	6,430.86
Total Direct Expense	\$ 104,284.30	\$ 68,369.61
Selling Expenses:		
Rebates and Allowances	\$ 4,859.99	\$ 4,554.48
Payroll - Supervisory	39,715.96	43,698.84
Truck Expense	12,468.43	13,737.18
Advertising	6,656.30	7,268.16
Bad Debts	-0-	510.64
Travel Expense	1,231.02	300.78
Total Selling Expense	\$ 64,931.70	\$ 70,070.08
Administrative Expense:		
Schedule A (Schedule B-1)	<u>180,717.61</u>	<u>189,413.14</u>
TOTAL OPERATING EXPENSES	\$ 349,933.61	\$ 327,852.83
NET OPERATING PROFIT	\$( 13,512.40)	\$ 16,263.43
OTHER INCOME:		
Goodyear Bonus - G.E. Bonus	\$ 177.14	\$ 561.00
Interest Income	3,771.91	4,234.73
Insurance Claims	-0-	464.00
Bad Debt Recoveries	-0-	11.94
Sale of Assets	-0-	( 2,301.25)
Pepsi and Miscellaneous Income	4,273.25	1,720.82
Total Other Income	\$ 8,222.30	\$ 4,691.24
NET PROFIT BEFORE TAXES	\$( 5,290.10)	\$ 20,954.67

See Accountant's Compilation Report.

Fred L. Wiggin, Inc.  
Interstate By-Pass  
Portsmouth, New Hampshire 03801

Schedule B-1

COMPARATIVE OVERHEAD EXPENSES

	<u>Calendar Year 1986</u>	<u>Calendar Year 1985</u>
Payroll - Office	\$ 15,902.60	\$ 14,407.15
Payroll - Officers	51,200.00	47,800.00
Lights	5,420.25	5,340.67
Power and Heat	3,908.84	12,141.39
Water	538.56	469.18
Telephone	7,000.20	5,058.83
Repairs and Maintenance	6,856.51	16,013.31
Interest	32.57	-0-
Insurance	24,614.28	24,095.44
Payroll Taxes	16,156.17	18,932.50
Property Taxes	5,464.46	5,550.39
N.H. Business Profits Tax	1,733.14	2,331.33
Other Taxes and Licenses	-0-	1,110.50
Accounting and Legal	2,400.00	1,937.58
Office Expense	5,917.16	2,810.88
Postage	839.19	743.67
Depreciation - Vehicles	11,485.70	13,207.88
Depreciation - Other Equipment	7,467.07	6,484.10
Depreciation - Building	3,265.56	2,138.06
Cable TV	352.37	271.71
Cash Variation	( 192.95)	1,019.33
Other Expenses	458.65	864.72
Service Charge - Credit Cards	3,418.73	2,251.04
Laundry and Uniforms	5,237.56	3,791.56
Contributions	1,240.99	641.92
	<u>\$180,717.61</u>	<u>\$189,413.14</u>
OVERHEAD EXPENSE		

See Accountant's Compilation Report.

Fred L. Wiggin, Inc.  
Interstate By-Pass  
Portsmouth, New Hampshire 03801

Exhibit C

WORKING CAPITAL ANALYSIS

	<u>12-31-86</u>	<u>12-31-85</u>	Increase (Decrease)
CURRENT ASSETS:			
Cash	\$157,256.47	\$135,909.81	\$ 21,346.66
Accounts Receivable - Net	63,632.61	64,892.12	( 1,259.51)
Inventory	118,504.73	114,461.00	4,043.73
Total Current Assets	<u>\$339,393.81</u>	<u>\$315,262.93</u>	<u>\$ 24,130.88</u>
CURRENT LIABILITIES:			
Accounts Payable	\$137,235.96	\$115,375.78	\$ 21,860.18
Accrued Payroll Taxes	564.78	967.46	( 402.68)
Total Current Liabilities	<u>\$137,800.74</u>	<u>\$116,343.24</u>	<u>\$ 21,457.50</u>
WORKING CAPITAL	<u>\$201,593.07</u>	<u>\$198,919.69</u>	<u>\$ 2,673.38</u>

Exhibit D

STATEMENT OF CHANGES IN FINANCIAL POSITION

During Year Ended December 31, 1986

SOURCES OF FUNDS:		
Net Operating Profit 12-31-86	(Exhibit B)	\$( 5,290.10)
Add Back: Expenses not requiring capital outlay:		
Depreciation		<u>22,218.33</u>
Total Funds Provided by Operations		\$ 16,928.23
APPLICATION OF FUNDS:		
Shop & Office Equipment	\$ 5,754.85	
Hot Top	<u>8,500.00</u>	
Total Funds Applied		<u>\$ 14,254.85</u>
INCREASE IN FUNDS		<u>\$ 2,673.38</u>

See Accountant's Compilation Report.

Fred L. Wiggin, Inc.  
Interstate By-Pass  
Portsmouth, New Hampshire 03801

Exhibit E

COMPARATIVE INCOME STATEMENT WITH RATIOS

	Years Ended December 31,			
	1986	%	1985	%
SALES				
Tires	\$1,016,215.97		\$ 937,348.32	
Car and Home Appliances	6,996.60		8,388.06	
Alignments & Repairs	75,230.60		74,970.60	
Total Sales	\$1,098,443.17	100.00%	\$1,020,706.98	100.00%
COST OF GOODS SOLD:				
Tires	\$ 744,081.10		\$ 653,526.08	
Car and Home Appliances	6,139.33		8,204.11	
Customer Repairs Parts	11,669.76		14,860.53	
Freight	131.77		-0-	
Total Cost of Goods Sold	\$ 762,021.96	69.37%	\$ 676,590.72	66.29%
GROSS PROFIT ON SALES	\$ 336,421.21	30.63%	\$ 344,116.26	33.71%
OPERATING EXPENSES:				
Direct Expenses;				
Payroll - Recap Plant	\$ 95,379.15		\$ 60,052.50	
Outside Work	1,551.10		1,886.25	
Shop Supplies and Expense	7,354.05		6,430.86	
Uniforms	5,237.56		3,791.56	
Total Direct Expense	\$ 109,521.86	9.97%	\$ 72,161.17	7.07%
Selling Expenses:				
Rebates and Allowances	\$ 4,859.99		\$ 4,554.48	
Payroll - Supervisory	39,715.96		43,698.84	
Truck Expense	12,468.43		13,737.18	
Advertising	6,656.30		7,268.16	
Bad Debts	-0-		510.64	
Travel Expense	1,231.02		300.78	
Total Selling Expense	\$ 64,931.70	5.91%	\$ 70,070.08	6.86%
Administrative Expenses:	\$ 175,480.05	15.98%	\$ 185,621.58	18.19%
TOTAL OPERATING EXPENSES	\$ 349,933.61	31.86%	\$ 327,852.83	32.12%
NET OPERATING PROFIT (LOSS)	\$ ( 13,512.40)	( 1.23%)	\$ 16,263.43	1.59%
OTHER INCOME & EXPENSE:				
Goodyear Bonus - G.E. Bonus	\$ 177.14		\$ 561.00	
Interest Income	3,771.91		4,234.73	
Bad Debt Recoveries	-0-		11.94	
Insurance Claims Received	-0-		464.00	
Sale of Assets	-0-		( 2,301.25)	
Pepsi & Miscellaneous Other Income	4,273.25		1,720.82	
Total Other Income	\$ 8,222.30	0.75%	\$ 4,691.24	0.46%
NET PROFIT (LOSS) BEFORE TAXES	\$ ( 5,290.10)	( 0.48%)	\$ 20,954.67	2.05%

See Accountant's Compilation Report.

Fred L. Wiggin, Inc.  
Interstate By-Pass  
Portsmouth, New Hampshire 03801

NOTES TO FINANCIAL STATEMENTS

NOTE 1 ORGANIZATION

Fred L. Wiggin, Inc. was organized on January 1, 1958. The corporation sells tires on both the wholesale and retail levels, as well as, performing alignment and repair work.

NOTE 2 BASIS OF ACCOUNTING

The corporation recognizes income and expenses on the accrual basis of accounting, as such, the financial statements are also presented on the accrual basis.

NOTE 3 FIXED ASSETS

Property and equipment have been recorded at cost and depreciated over the estimated useful lives of the assets. Assets acquired after December 31, 1980 are being depreciated as specified in Accelerated Cost Recovery System as outlined in Economic Recovery Tax Act of 1981.

NOTE 4 RESERVED FOR BAD DEBT

Persuant to the requirements of the Tax Reform Act of 1986, the Reserve for Bad Debt of \$9,296.51 was removed from the balance sheet and brought into income for the year ending December 31, 1986.